



ASIAN CAPITAL HOLDINGS LIMITED

卓亞資本有限公司

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 8295

Third Quarterly Report 2012



CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors (the “Directors”) of Asian Capital Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

HIGHLIGHTS

- The Group's overall revenue for the nine months ended 30 September 2012 was approximately HK\$19.57 million (2011: approximately HK\$16.93 million), approximately 15.59% higher than that of the corresponding period in 2011. The 2012 third quarter revenue of approximately HK\$1.38 million (2011: approximately HK\$8.43 million) was significantly dragged by the fair value loss of securities investment for approximately HK\$5.63 million, undermining the effect of the third quarter strong recovery in corporate advisory income, which posted a revenue of approximately HK\$5.25 million (2011: approximately HK\$3.77 million). Although placing and underwriting service income for the nine months ended 30 September 2012 at approximately HK\$0.50 million (2011: approximately HK\$1.99 million) was lower than that of the corresponding period in 2011, securities gains (both realised and unrealised) of approximately HK\$6.09 million (2011: approximately HK\$2.41 million) continued to contribute, and accounted for approximately 31.12% of the overall revenue, reflective of the outcome of the revenue diversification strategy that the Group has adopted.
- Operating expenses in the third quarter of 2012 at approximately HK\$4.72 million (2011: approximately HK\$6.01 million) were lower than that of the corresponding period last year primarily because of the effect of bonus provisioning, contributing to restraining the operating expenses for the nine months ended 30 September 2012 at approximately HK\$16.00 million (2011: approximately HK\$15.63 million) despite higher rental and other operating costs.
- The 2012 third quarter therefore suffered a total comprehensive loss of approximately HK\$2.34 million (2011: income of approximately HK\$2.10 million), reducing the total comprehensive income for the nine months ended 30 September 2012 to approximately HK\$3.26 million (2011: approximately HK\$1.04 million).
- With the placement for 240,000,000 new shares of the Company completed in March 2012 that raised approximately HK\$24 million of new capital, total equity attributable to ordinary equity holders of the Company increased to approximately HK\$121.80 million as at 30 September 2012 (31 December 2011: approximately HK\$92.47 million).
- Earnings per share for the nine months ended 30 September 2012 was approximately HK0.24 cents (2011: approximately HK0.09 cents). Equity per share of the Group as at 30 September 2012 was approximately HK8.46 cents (31 December 2011: approximately HK7.71 cents).
- The Board does not recommend payment of an interim dividend for the nine months ended 30 September 2012.

The board (the "Board") of directors (the "Directors") of Asian Capital Holdings Limited (the "Company") is pleased to present the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the "Group") for the three months and nine months ended 30 September 2012 together with the comparative unaudited figures for the corresponding periods in 2011, as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and nine months ended 30 September 2012

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2012 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)
Revenue	3	1,380	8,427	19,570	16,933
Other income and gains	3	229	126	585	286
Operating expenses		(4,722)	(6,013)	(15,996)	(15,634)
(Loss)/Profit before tax		(3,113)	2,540	4,159	1,585
Income tax credit/(expense)	5	770	(448)	(897)	(545)
(Loss)/Profit for the period		(2,343)	2,092	3,262	1,040
Other comprehensive income/(loss) for the period:					
Revaluation surplus realised upon redemption of available-for-sale investments		-	2	-	-
Change in fair value of available-for-sale investments		-	1	-	(2)
Other comprehensive income/ (loss) for the period, net of tax		-	3	-	(2)
Total comprehensive (loss)/ income for the period		(2,343)	2,095	3,262	1,038
(Loss)/Earnings per share attributable to ordinary equity holders of the Company	7				
- Basic (HK cents)		(0.16)	0.17	0.24	0.09
- Diluted (HK cents)		N/A	N/A	N/A	N/A

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2012

	Attributable to ordinary equity holders of the Company						
	Issued capital <i>HK\$'000</i> (Unaudited)	Share premium account <i>HK\$'000</i> (Unaudited)	Contributed surplus <i>HK\$'000</i> (Unaudited)	Share option reserve <i>HK\$'000</i> (Unaudited)	Available- for-sale investment revaluation reserve <i>HK\$'000</i> (Unaudited)	Retained profits <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)
At 1 January 2012	12,000	43,886	9,000	3,632	-	23,953	92,471
Total comprehensive income for the period	-	-	-	-	-	3,262	3,262
Placing of new shares	2,400	22,800	-	-	-	-	25,200
Share placement expenses	-	(788)	-	-	-	-	(788)
Equity-settled share option arrangements	-	-	-	1,659	-	-	1,659
At 30 September 2012 (Unaudited)	14,400	65,898	9,000	5,291	-	27,215	121,804
At 1 January 2011	12,000	43,886	9,000	1,990	2	3,227	70,105
Total comprehensive income for the period	-	-	-	-	(2)	1,040	1,038
Equity-settled share option arrangements	-	-	-	2,050	-	-	2,050
At 30 September 2011 (Unaudited)	12,000	43,886	9,000	4,040	-	4,267	73,193

NOTES TO THE THIRD QUARTERLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 September 2012

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands on 5 January 2010 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The shares of the Company are listed on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The principal activity of the Company is investment holding. The subsidiaries are principally engaged in the provision of corporate advisory services and related activities as well as investment activities.

2. BASIS OF PREPARATION

The unaudited condensed consolidated third quarterly financial statements for the nine months ended 30 September 2012 (the "Third Quarterly Financial Statements") have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules").

The principal accounting policies used in the preparation of the Third Quarterly Financial Statements are consistent with those used in the preparation of the Group's annual financial statements for the year ended 31 December 2011. However, the Third Quarterly Financial Statements do not include all of the information required for annual financial statements and they should be read in conjunction with the annual financial statements for the year ended 31 December 2011.

The HKICPA has issued a number of new and revised HKFRSs and interpretations that first became effective or available for early adoption for the current accounting period of the Company. The adoption of these new and revised HKFRSs has no material effect on the Third Quarterly Financial Statements, and there have otherwise been no significant changes to the accounting policies applied in these financial statements.

The Third Quarterly Financial Statements have been prepared under the historical cost convention, except for investments at fair value through profit or loss and available-for-sale investments which have been measured at fair value. The Third Quarterly Financial Statements are presented in Hong Kong dollars ("HK\$"), which is also the Group's functional currency. All values are rounded to the nearest thousand (HK\$'000) except where otherwise indicated.

All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated on consolidation in full.

3. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents corporate advisory income, placing and underwriting service income/commission as well as securities dealing commission and gain/(loss).

An analysis of revenue and other income and gains is as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2012 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)
Revenue				
Corporate advisory income	5,254	3,767	12,977	12,533
Placing and underwriting service income/commission	405	1,988	503	1,988
Securities dealing commission and gain/(loss), net	(4,279)	2,672	6,090	2,412
	<u>1,380</u>	<u>8,427</u>	<u>19,570</u>	<u>16,933</u>
Other income and gains				
Interest income	229	139	585	273
Others	-	(13)	-	13
	<u>229</u>	<u>126</u>	<u>585</u>	<u>286</u>

4. OPERATING SEGMENT INFORMATION

The Group focuses on the provision of corporate advisory services and related activities as well as investment activities. Information reported to the Group's chief operating decision maker, for the purpose of resource allocation and performance assessment, is concentrated on the operating results of the Group as a whole as the Group's resources are integrated and no discrete financial information is available. Accordingly, no segment analysis is presented.

5. INCOME TAX CREDIT/(EXPENSE)

Hong Kong profits tax has been provided at the rate of 16.5% (2011: 16.5%) for the three months and nine months ended 30 September 2012 and 2011.

	Three months ended 30 September		Nine months ended 30 September	
	2012 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)
Current – Hong Kong	<u>770</u>	<u>(448)</u>	<u>(897)</u>	<u>(545)</u>

There was no significant unprovided deferred tax for the relevant periods.

6. DIVIDENDS

The Board does not recommend payment of an interim dividend for the nine months ended 30 September 2012 (2011: Nil).

7. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

Basic (loss)/earnings per share for the three months and nine months ended 30 September 2012 are calculated based on the unaudited consolidated loss of approximately HK\$2,343,000 and profit of approximately HK\$3,262,000 attributable to ordinary equity holders of the Company for respectively the three months and nine months periods ended 30 September 2012 (three months and nine months ended 30 September 2011: consolidated profit of approximately HK\$2,092,000 and HK\$1,040,000 respectively), divided by 1,440,000,000 and 1,371,678,832 being the weighted average number of shares in issue for each of the three months and nine months ended 30 September 2012 respectively (three months and nine months ended 30 September 2011: 1,200,000,000 shares).

No adjustment has been made to the basic earnings per share presented for the three months and nine months ended 30 September 2012, as the conversion of the outstanding share options during the period had an anti-dilutive effect on the basic earnings per share. No adjustment was made to the basic earnings per share presented for the three months and nine months ended 30 September 2011, as the Group had no diluting events that existed during the periods.

8. APPROVAL OF THE THIRD QUARTERLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The Third Quarterly Financial Statements were approved and authorised for issue by the Board on 6 November 2012.

MANAGEMENT DISCUSSION AND ANALYSIS

Business review

With three new cases taken on during the nine months period ended 30 September 2012 and track records, the Group's corporate resumption services continue to command a leading market position. During the reporting period, shares of two companies listed on the Main Board of the Stock Exchange serviced by the Group have resumed for trading. In the case of First Natural Foods Holdings Limited (Stock Code: 1076), its successful resumption of trading in September 2012 not only brought about corporate advisory income for the Group, it opened up opportunities for the Group to be involved in its underwriting and placing, and, as opportunity presented itself, also allowed the Group to take up a small investment in the placing shares, all of which have contributed revenue for the Group. One other milestone achievement was that the Group, in an engagement that was taken up only in March 2012, represented Warderly International Holdings Limited ("Warderly") (Stock Code: 607) to appeal against a delisting decision. In the event, the Listing Appeals Committee of the Stock Exchange decided in September 2012 to exercise its discretion to receive and consider the new resumption proposal submitted by the Group on behalf of Warderly.

Despite 2012 thus far being a slow year for the equities market, with placing and underwriting opportunities far less than the corresponding period in 2011, the Group was able to secure five new mergers and acquisitions advisory deals as well as one new initial public offering ("IPO") mandate during the reporting period. The two ongoing IPO mandates are keeping the management team busy. The Group continued to take on engagements as compliance adviser and retained adviser for listed companies and work on existing mandates on litigation support and distressed asset recovery during the reporting period.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Business review *(Continued)*

With the placement for 240,000,000 new shares of the Company (the “Placing”) that raised approximately HK\$24 million (after expenses) in March 2012, together with the existing capital, the Group has undertaken and completed gross underwriting commitments and placements for approximately HK\$95.15 million so far this year, and has made new investments for approximately HK\$16.60 million in aggregate during the reporting period. The Group’s liquidity position was enhanced by disposal of investments for an aggregate gross sum of approximately HK\$16.85 million. Unfortunately, the Group’s largest investment, in Green International Holdings Limited (Stock Code: 2700), suffered a fair value loss in the third quarter of 2012, and brought down what otherwise would have been a respectable profitability for the Group.

Financial review

The Group’s overall revenue for the nine months ended 30 September 2012 was approximately HK\$19.57 million (2011: approximately HK\$16.93 million), approximately 15.59% higher than that of the corresponding period in 2011. The 2012 third quarter revenue of approximately HK\$1.38 million (2011: approximately HK\$8.43 million) was significantly dragged by the fair value loss of securities investment for approximately HK\$5.63 million, undermining the effect of the third quarter strong recovery in corporate advisory income, which posted a revenue of approximately HK\$5.25 million (2011: approximately HK\$3.77 million). This increase in corporate advisory income for the 2012 third quarter helped to catch up with the performance for the nine months to 30 September 2011. Although placing and underwriting service income for the nine months ended 30 September 2012 at approximately HK\$0.50 million (2011: approximately HK\$1.99 million) was lower than that of the corresponding period in 2011, securities gains (both realised and unrealised) of approximately HK\$6.09 million (2011: approximately HK\$2.41 million) continued to contribute, and accounted for approximately 31.12% of the overall revenue, reflective of the outcome of the revenue diversification strategy that the Group has adopted.

Operating expenses in the third quarter of 2012 at approximately HK\$4.72 million (2011: approximately HK\$6.01 million) were lower than that of the corresponding period last year primarily because of the effect of bonus provisioning, contributing to restraining the operating expenses for the nine months ended 30 September 2012 at approximately HK\$16.00 million (2011: approximately HK\$15.63 million) despite higher rental and other operating costs.

The 2012 third quarter therefore suffered a total comprehensive loss of approximately HK\$2.34 million (2011: income of approximately HK\$2.10 million), reducing the total comprehensive income for the nine months ended 30 September 2012 to approximately HK\$3.26 million (2011: approximately HK\$1.04 million). Earnings per share for the nine months ended 30 September 2012 was approximately HK0.24 cents (2011: approximately HK0.09 cents).

With the Placing completed in March 2012 that raised approximately HK\$24 million of new capital, total equity attributable to ordinary equity holders of the Company increased to approximately HK\$121.80 million as at 30 September 2012 (31 December 2011: approximately HK\$92.47 million). Equity per share of the Group as at 30 September 2012 was approximately HK8.46 cents (31 December 2011: approximately HK7.71 cents).

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Transfer of listing

On 16 April 2012, the Company submitted a formal application (the “Transfer Application”) to the Stock Exchange for the proposed transfer of listing of its shares from GEM to the Main Board of the Stock Exchange (the “Proposed Transfer”) pursuant to Chapter 9A of the Rules Governing the Listing of Securities on the Stock Exchange (the “Main Board Listing Rules”). The Transfer Application lapsed on 15 October 2012.

During the intervening period, the Company made several submissions to the Listing Division of the Stock Exchange to demonstrate its compliance with the minimum profit requirement under Rule 8.05(1)(a) of the Main Board Listing Rules in respect of the three financial years ended 31 December 2011 (the “Track Record Period”). However, the Company has not been able to convince the Listing Division of its sustainability given the fluctuating financial performance of the Company during the Track Record Period and the various one-off transactions. The Company believes that one-off transactions are a feature of the Group’s businesses, and the Board continues to believe that it is in the best interests of the Company and its shareholders as a whole to transfer the listing of the shares of the Company (the “Shares”) from GEM to the Main Board, and may consider making a new application for the Proposed Transfer at the appropriate time. Shareholders and potential investors should be aware that the Company may or may not proceed to submit a new application for the Proposed Transfer and are advised to exercise caution when dealing in the Shares.

Outlook

The Qualitative Easing 3, the European Financial Stability Facility and fiscal easing in the People’s Republic of China appear to have the side effects of fueling at least the Hong Kong economy, with Hong Kong’s real estate market now under test as the government has just increased taxes, trying to put a lid on the ballooning prices. Given the Hong Kong/United States dollar peg, there are already signs that the stock market will stand to yield short term benefits. Whilst it is hard to predict how far and for how long these effects will take, the Group, in pursuance of its revenue diversification strategy and with its strong financial position, is capable of taking value propositions in equities and other financial assets, albeit with caution.

The Group’s investments at fair value through profit or loss as at 30 September 2012 amounted to approximately HK\$28.67 million. These, however, are subject to market risks associated with investments and may impact the Group’s profitability from time to time.

SHARE OPTIONS SCHEMES

The Company has adopted a pre-IPO share option scheme (the “Pre-IPO Share Option Scheme”) and a share option scheme (the “Share Option Scheme”) on 7 June 2010. The principal terms of the two schemes were summarised in the sections headed “Pre-IPO Share Option Scheme” and “Share Option Scheme” in Appendix V to the Company’s prospectus dated 11 June 2010.

The purpose of the Pre-IPO Share Option Scheme and the Share Option Scheme is to enable the Company to grant options to the participants as incentive or rewards for their contributions to the Group.

SHARE OPTIONS SCHEMES (Continued)

Pre-IPO Share Option Scheme

Options to subscribe for an aggregate of 120,000,000 Shares at an exercise price of HK\$0.20 were granted by the Company to 24 participants, each at a consideration of HK\$1.00 under the Pre-IPO Share Option Scheme. All the available options under the Pre-IPO Share Option Scheme were granted on 10 June 2010 and no further options could be granted under the Pre-IPO Share Option Scheme thereafter. Eight participants have since resigned and their share options lapsed pursuant to the Pre-IPO Share Option Scheme. One participant retired in September 2012 and is entitled, within a period of twelve months therefrom, to exercise the share options up to his entitlement as at the date of cessation of his employment (to the extent not already exercised), with the unvested portion of the share options lapsed pursuant to the Pre-IPO Share Option Scheme.

As at 30 September 2012, details of the options granted under the Pre-IPO Share Option Scheme were as follows:

Name of grantee	Exercise period (dd/mm/yy)	Number of options				Outstanding as at 30 September 2012	Approximate percentage of issued share capital of the Company
		Outstanding as at 31 December 2011	Exercised during the period	Cancelled during the period	Lapsed during the period		
Directors							
Mr. YEUNG Kai Cheung Patrick ("Mr. Yeung")	10/06/12 – 09/06/20	10,000,000	-	-	-	10,000,000	0.69%
Mr. CHAN Hok Leung	10/06/12 – 09/06/20	10,000,000	-	-	-	10,000,000	0.69%
Mr. XIN Luo Lin	10/06/12 – 09/06/20	10,000,000	-	-	-	10,000,000	0.69%
Mr. CHAN Kai Nang	10/06/12 – 09/06/20	6,000,000	-	-	-	6,000,000	0.42%
Mr. Yi Xiqun	10/06/12 – 09/06/20	6,000,000	-	-	-	6,000,000	0.42%
Employees of the Group	10/06/12 – 09/06/20	50,000,000	-	-	(4,500,000)	45,500,000	3.16%
Total		92,000,000	-	-	(4,500,000)	87,500,000	6.08%

The options granted under the Pre-IPO Share Option Scheme shall vest in the relevant option holder in tranches in the following manner:

- (a) 10% of the option were vested on 10 June 2012;
- (b) 20% of the option shall vest on 10 June 2013;
- (c) 30% of the option shall vest on 10 June 2014; and
- (d) 40% of the option shall vest on 10 June 2015.

SHARE OPTIONS SCHEMES *(Continued)*

Share Option Scheme

During the nine months ended 30 September 2012, no option was granted, exercised or lapsed under the Share Option Scheme.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 September 2012, interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors to be notified to the Company and the Stock Exchange, were as follows:

Long positions in shares and underlying shares of the Company

Name of Director	Capacity	Number of ordinary shares held	Number of underlying shares pursuant to share option	Aggregate interests	Approximate percentage of shareholding in the Company
Mr. Yeung	Interest of controlled corporation	700,400,000 <i>(Note 1)</i>	-	700,400,000	48.64%
	Beneficial owner	-	10,000,000 <i>(Note 2)</i>	10,000,000	0.69%
Mr. CHAN Hok Leung	Beneficial owner	3,500,000	10,000,000 <i>(Note 2)</i>	13,500,000	0.94%
Mr. XIN Luo Lin	Beneficial owner	-	10,000,000 <i>(Note 2)</i>	10,000,000	0.69%
Mr. CHAN Kai Nang	Beneficial owner	-	6,000,000 <i>(Note 2)</i>	6,000,000	0.42%
Mr. YI Xiquan	Beneficial owner	-	6,000,000 <i>(Note 2)</i>	6,000,000	0.42%
Mr. TSUI Pui Yan	Beneficial owner	1,000,000	-	1,000,000	0.07%

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION *(Continued)*

Long positions in shares and underlying shares of the Company *(Continued)*

Notes:

1. These shares represent 630,000,000 Shares owned by Master Link Assets Limited ("Master Link") and 70,400,000 Shares owned by Allied Target Holdings Limited ("Allied Target").

Master Link is wholly and beneficially owned by Mr. Yeung. By virtue of the SFO, Mr. Yeung is deemed to be interested in the 630,000,000 Shares held by Master Link.

Allied Target is owned as to 70% by Mr. Yeung. By virtue of the SFO, Mr. Yeung is deemed to be interested in the 70,400,000 Shares held by Allied Target.

2. These shares represent the underlying interest in Shares pursuant to the options granted to the Directors by the Company under the Pre-IPO Share Option Scheme. Further details are set out in the paragraph headed "Pre-IPO Share Option Scheme" under the section headed "SHARE OPTION SCHEMES" above.

Save as disclosed above, as at 30 September 2012, none of the Directors and chief executive of the Company had any other interests or short positions in any shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 September 2012, so far as was known to the Directors, the following persons (other than the Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or who were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group were as follows:

Long positions in shares of the Company

Name of shareholder	Capacity	Number of shares held	Approximate percentage of shareholding in the Company
Master Link (<i>Note 1</i>)	Beneficial owner	630,000,000	43.75%
Mr. LIM Hua Min ("Mr. Lim") (<i>Note 2</i>)	Interest of controlled corporation	252,955,791	17.57%
Phillip Capital (HK) Limited ("Phillip Capital (HK)") (<i>Note 2</i>)	Beneficial owner	252,955,791	17.57%
Ms. LAM Pik Wah	Beneficial owner	90,000,000	6.25%

Notes:

1. Master Link is an investment holding company, the entire issued share capital of which is wholly and beneficially owned by Mr. Yeung.
2. Phillip Capital (HK) is an investment holding company which is owned as to 85% by Mr. Lim. By virtue of the SFO, Mr. Lim is deemed to be interested in the 252,955,791 Shares owned by Phillip Capital (HK).

Save as disclosed above, as at 30 September 2012, the Directors were not aware of any other person (other than the Directors and chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or who was directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

PURCHASE, REDEMPTION OR SALE OF THE LISTED SECURITIES OF THE COMPANY

Save for the Placing of 240,000,000 new shares of the Company which was completed on 19 March 2012, neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the Company's listed securities during the nine months ended 30 September 2012.

INTERESTS OF THE COMPLIANCE ADVISER

As notified by VC Capital Limited ("VC Capital"), the compliance adviser of the Company, neither VC Capital nor its directors or employees or associates had any interests in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities) as at 30 September 2012.

Pursuant to the agreement dated 17 June 2010 entered into between VC Capital and the Company, VC Capital received and will receive fees for acting as the compliance adviser of the Company.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

For the nine months ended 30 September 2012, the Directors are not aware of any business or interest of the Directors, the controlling shareholders of the Company and their respective associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control system of the Group. The audit committee comprises three independent non-executive Directors, namely Mr. Chan Kai Nang (chairman of the audit committee), Mr. Tsui Pui Yan and Mr. Yi Xiquan.

Since the listing of the Company on GEM of the Stock Exchange, the Group has engaged a professional accounting firm (the "Internal Auditors") to conduct regular internal audits and to report their findings to the audit committee. The Third Quarterly Financial Statements have been reviewed by the Internal Auditors and they confirm that they have not identified any matters that need to be brought to the attention of the audit committee.

The audit committee has reviewed the Third Quarterly Financial Statements and is of the opinion that the preparation of those statements complies with the applicable accounting standards and that adequate disclosures have been made.

By order of the Board
Asian Capital Holdings Limited
YEUNG Kai Cheung Patrick
Executive Chairman

Hong Kong, 6 November 2012

As at the date of this report, the Board comprises Mr. YEUNG Kai Cheung Patrick (executive chairman) and Mr. CHAN Hok Leung being executive Directors; Mr. XIN Luo Lin (honorary chairman) being non-executive Director; and Mr. YI Xiquan, Mr. CHAN Kai Nang and Mr. TSUI Pui Yan being independent non-executive Directors.